REMARKS

Please note the fact that since February 19, 2006 was a Sunday and February 20, 2006 was a Federal holiday this Amendment is being timely filed on February 21, 2006.

Applicants and the undersigned are most grateful for the time and effort accorded the instant application by the Examiner. An Amendment After Final was filed on January 19, 2006; however, an Advisory Action, dated February 2, 2006, denied entry of the amendments, because they were found by the Examiner to raise new issues requiring further consideration. Thus, a Request for Continued Examination is currently being filed with this Amendment and remarks. The Office is respectfully requested to reconsider the rejections presented in the outstanding Office Action in light of the following remarks.

Claims 1-4, 6-9, 12-29 and 31-49 were pending in the instant application at the time of the outstanding Office Action. Claims 1, 24, 25, 27, and 46-49 are independent claims; the remaining claims are dependent claims. Claims 1, 4, 24, 25, 27, 28, 29, 33, 34, 39 and 44-49 have been amended to more clearly define the present invention. These amendments are not in acquiescence of the Examiner's position on the allowability of the claims, but merely to expedite prosecution. Applicants intend no change in scope of the claims by the changes made by these amendments.

The U.S.C. 112 Rejections

Dependent claims 4 and 29 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject

matter which Applicants regard as their invention. It is asserted by the Office that one of ordinary skill in the art of auctions would not know what constitutes "a sufficient change in parameters relating to a user". This rejection is respectfully traversed for the reasons set forth in Applicants' Amendment dated August 3, 2005. However, in order to expedite prosecution, the claims in contention have been amended to address this issue. Reconsideration and withdrawal of the rejections are, therefore, respectfully requested.

The U.S.C. 103 Rejections

Claims 1-4, 6-7, 9, 12-17, 21-23, 25-29, 31-32, 34-40, 43-45, 47 and 49 continue to stand rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery. Additionally, claims 18-20, 24, 41-42, 46 and 48 remain rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery and in further view of Price Formation in Double Auctions ("Price Formation") (by Gjerstaed and Dickhaut). Claims 8 and 33 stand rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery in further view of Harrington et al. ("Harrington") Reconsideration and withdrawal of the present rejections is requested for the following reasons.

As indicated above, the present independent claims have been amended in various ways to additionally distinguish over the applied art. Independent claim 1 has been amended to recite, *inter alia*, "[o]btaining information about an ongoing auction, including information about the type of auction and auction rules relating to the auction; aggregating said information relating to an ongoing auction into a market history; obtaining market history information related to auctions other than the ongoing auction

and aggregating said other market information into a previous market history; augmenting said market history with said previous market history based on consideration of the relevancy of said previous market history to the ongoing auction...". The remaining independent clams (claims 24, 25, 27, and 46-49) have been amended to recite, *inter alia*, "[c]hoosing an order computation method from a plurality of order computation methods...". Applicants submit the amended claims are purely novel and find full support in the Applicants' disclosure and, therefore, should be immediately allowed.

In the outstanding Office Action the Examiner indicates, "Applicant has added the limitation of choosing an order computation method 'from among a number of potential order computation methods'; *Shoham* discloses this limitation for at least the reasons that it discloses a number, one, of computation methods for choosing. Applicant's amended language does not recite choice from a *plurality* of order computation methods and therefore, *Shoham* reads on the limitation of choosing an order computation method." (Office Action Page 4). As rightly indicated by the Examiner, Shoham fails to teach or disclose any such limitation. Moreover any combination of Shoham, Montgomery, Price Formation, and Harrington also fails to teach or suggest choosing an order computation method from a plurality of order computation methods as presently claimed. Therefore, the claimed subject matter is patentably distinct over the applied art indicating that the withdrawal of the present rejections is proper at this juncture.

In regard to independent claim 1 and to the extent that the amended claim shares similar subject matter to cancelled claims 22 and 23, although clearly not identical, Applicants' believe some additional comments are in order. The Examiner indicates,

"*Shoham* does not disclose augmenting auction history with information from previous auctions. Official notice is taken that expansion of historical databases for better decision making is old and well know. For example, large sample populations for statistical inference provide greater probability of correct inference. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify *Shoham* by augmenting with previous auction data because this would provide a greater likelihood for traders to understand their market." (Office Action Page 6)

Applicants have several points regarding the rejections and any future application of the rationale for the rejection of the presently amended claims; namely: (1) official noticed facts should be supportable by substantial evidence and judiciously used, thus, more evidence is requested if this basis of rejection is to be continued; (2) the officially noticed facts do not actually teach or suggest the claim's limitations for which they have been noticed; and (3) any motivation for the combination of the noticed facts and references is supplied impermissibly from hindsight gained from the Applicants' disclosure.

The law related to officially noticed facts in support of obviousness rejections is explained well in the MPEP, which states:

> Any rejection based on assertions that a fact is well-known or is common knowledge in the art without documentary evidence to support the examiner's conclusion should be judiciously applied. Furthermore, as noted by the court in *Ahlert*, any facts so noticed should be of notorious character and serve only to "fill in the gaps" in an insubstantial manner which might exist in the evidentiary showing made by the examiner to support a particular ground for rejection. It is never appropriate to rely solely on common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based. See

Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697; *Ahlert*, 424 F.2d at 1092, 165 USPQ 421.

(MPEP 2144.03) Here the Examiner takes notice "[t]hat [the] expansion of historical databases for better decision making is old and well know." The Examiner has failed to set forth any indication as to what the level of ordinary skill being applied is in this instance, which is particularly important where the principle being noticed by the Examiner appears to be non-analogous art. Thus, some rationale must be set forth in the record as to what the level of ordinary skill is so that a proper determination can be made as to whether this person would know the facts the Examiner is noticing. Applicants' must, therefore, respectfully traverse the rejections and respectfully submit that it is not common knowledge or known to one skilled in the art that, *inter alia*, "the expansion of historical databases for better decision making is old and well known."

Moreover, Applicants' respectfully submit that the *historical expansion* set forth by the Examiner neither teaches nor suggests the elements of the canceled claims and similarly fails to teach or suggest presently amended claim 1, which includes "[o]btaining market history information **related to auctions** other than the ongoing auction and aggregating said other market information into a previous market history; **augmenting** said market history with said previous market history **based on** consideration **of the relevancy of said previous market history** to the ongoing auction...". (Claim 1)(emphasis added) Finally, as indicated above, the motivation provided for the 35 USC 103 rejection of claim 23 comes from impermissible hindsight gained from the Applicants' disclosure (see page 20) instead of the prior art references themselves.

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103 there must be: (1) a suggestion or motivation to modify a reference or combine references; (2) a reasonable expectation of success in making the modification or combination; and (3) a teaching or suggestion to one skilled in the art of all the claim limitations of the invention to which the art is applied. *See In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). In the present instance obviousness cannot be established because, at the very least, the aforementioned requirements have not been satisfied in that all of the presently claimed limitations of the invention are not taught or suggested by the prior art; there is no demonstrated motivation to somehow modify the references to meet the limitations of the claims; and there is no indication that the it would even be possible to modify the references as required, which demonstrates a lack of expectation of success. Therefore, Applicants respectfully submits the independent claims are fully patentable over the applied art.

In view of the foregoing, it is respectfully submitted that Claims 1, 24, 25, 27, and 46-49 fully distinguish over the applied art and are thus allowable. By virtue of dependence from allowable Claims 1, 24, 25, 27, and 46-49, it is also submitted that Claims 2-4, 6-9, 12-21, 26, 28-29, 31-45 are allowable at this juncture as well.

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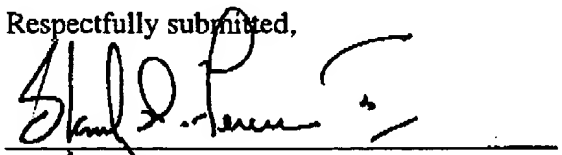
In summary, it is respectfully submitted that the instant application, including Claims 1-4, 6-9, 12-21, 24-29, and 31-49, is presently in condition for allowance. Notice to the effect is hereby earnestly solicited. If there are any further issues in this application, the Examiner is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,



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